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Before the
Federal Communications Commission
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of Cellular Service
and Other Commercial Mobile Radio
Services in the Gulf of Mexico

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Amendment of Part 22 of the
Commission's Rules to Provide
for Filing and Processing of Applications
for Unserved Areas in the Cellular Service
and to Modify Other Cellular Rules

WT Docket No. 97-112
CC Docket No. 90-6

Reply Comments of Southwestern Bell Mobile Systems, Inc.

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date: August 4, 1997

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Reply Comments of Southwestern Bell Mobile Systems, Inc.

Comes now Southwestern Bell Mobile Systems, Inc. ("SBMS"), ¹ and files these Reply Comments in response to comments filed in the above-referenced docket. The gist of the comments of the Gulf-based carriers (e.g., PetroCom and Bachow/Coastel L.L.C.) is that the public interest and the regulatory parity at the core of the FCC Rulemaking should be given secondary consideration, with the primary focus being to ensure the financial success of this one segment of the industry. In fact, Bachow/Coastel bluntly criticizes the Commission's consideration of the public interest, reading the remand order to be a dictate to the Commission to ensure the viability of those carriers without regard to public interest.

¹SBMS is filing on behalf of itself, and its affiliates, including Southwestern Bell Wireless Inc. ("SWBW") and those markets for which SWBW is the general partner.

PetroCom ignores the public interest in its compliance with E-911 and Universal Service Fund orders stating it should be exempt from these obligations. The GMSA filings seek to establish a super-classification where they would not be treated as CMRS providers when it does not suit their economic agenda (E-911, USF and regulatory parity), yet they should be treated as CMRS providers when it does suit their economic agenda (interconnection). This self interest does not represent the public, and offers no countervailing persuasion in light of the Commission's adherence to regulatory parity among carriers who are in direct competition.

I. Land-based Transmitters

Not surprisingly, the GMSA carriers support land-based transmitters. (Id., PetroCom, Bachow/Coastel). PetroCom gratuitously states that the system must be designed so it does not capture incumbent land-based carrier traffic. (PetroCom, p. 13). However, the GMSA carriers do not offer hard engineering rebuttal evidence to counter the evidence from the engineers, in comments filed by SBMS and other land-based carriers, who have shown this duality of service will not co-exist. Absent such a showing, GMSA carriers have failed to defuse the Commission's legitimate concerns about the coexistence of this technology.

II. Licensing of Competitive Services

Continuing the theme of a protectorate economic argument, PetroCom adamantly opposes the licensing of *any* competitive services in the Gulf. (See pp. 18-19, PetroCom). This view is directly opposed to the broad based spectrum disaggregation and auctioning that is proceeding at a rapid pace in other areas of CMRS service and is not based on sound

competitive or economic ground. Ironically, the only argument raised to defend this position is a concern about interference. (Id. p. 19). Other than that concern, for which PetroCom submits a proposed rulemaking, it only directs the Commission to revisit this issue no sooner than 5 to 7 years. Of course, when it suits the economics of the Gulf carriers (e.g., more economical interconnection with LECs), the GMSA carriers want very much to be treated as CMRS carriers (See PetroCom, p. 20, fn 40; Bachow, p. 30) — but *only* when it suits their economics.

III. E-911

PetroCom's argument regarding the complexity of E-911 in the wireless arena is neither unique nor compelling. Its description of a large territory (86,000 square miles) is not unique. For instance, two California MTAs, operated by Pacific Bell Mobile Services ("PBMS"), an affiliate of SBMS, cover in excess of 250,000 square miles. Nor is the fact that a GMSA carrier has to deal with the jurisdiction of five states and numerous counties and cities unique. Given the breadth of MTA/MSA/RSA configurations and the clustering of cellular systems, multi-jurisdictional coordination is commonplace in the industry. For instance, SBMS' Washington/Baltimore system encompasses portions of four states (including Washington D.C.) and counties and cities too numerous to mention. Each jurisdiction is quite different in its approach to E-911 provision. Thus, PetroCom's justification for unique treatment is insupportable.

IV. Universal Service Fund ("USF")

PetroCom's global statement that it has "no low income or rural consumers" and should, therefore, be exempt from USF is likewise not supported by the evidence. Indeed, it is highly unlikely that it has "no" low income consumers. Even if it did, a purpose of the fund is to spread the cost of providing service to a particular classification of consumers. A carrier should not be able to carve out an exemption for itself by refusing to take any customers other than those with high-end incomes. That incentive is directly contrary to the Commission's stated goals.

V. Conclusion

The Commission should continue with its effort to balance the public interest with the competing needs of land-based and GMSA carriers. These issues cannot be determined based upon the economic success of any one segment of the industry. Without solid engineering evidence to the contrary, the Commission should not impose land-based facilities of GMSA carriers upon the service territories of land-based carriers. The Commission should continue to adhere to its longstanding commitment to regulatory parity by ensuring that competitors are treated uniformly.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Carol L. Tacker" followed by a date "1/8/01".

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Reply Comments were mailed via first class mail, postage prepaid, to the following parties on the 1st day of August, 1997:

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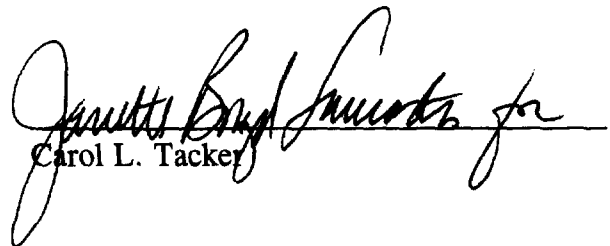
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